



Understanding Credit Reports

Working for America

UNITED STATES OFFICE OF PERSONNEL MANAGEMENT



Message from the President

“America is blessed with dedicated public employees who keep our country strong and ensure that our government functions effectively. Every day, Americans serve in a variety of Federal, state, and local government jobs to protect and enhance the lives of their fellow citizens.”

- George W. Bush



Message from the Director



“My experience has been that you repeatedly show a willingness to root out problems, deal with them, and work diligently to find the best solution for the taxpayer. The commitment to surpass standard expectations is a reflection of our readiness to work together and to adhere to the highest principles of excellence.”

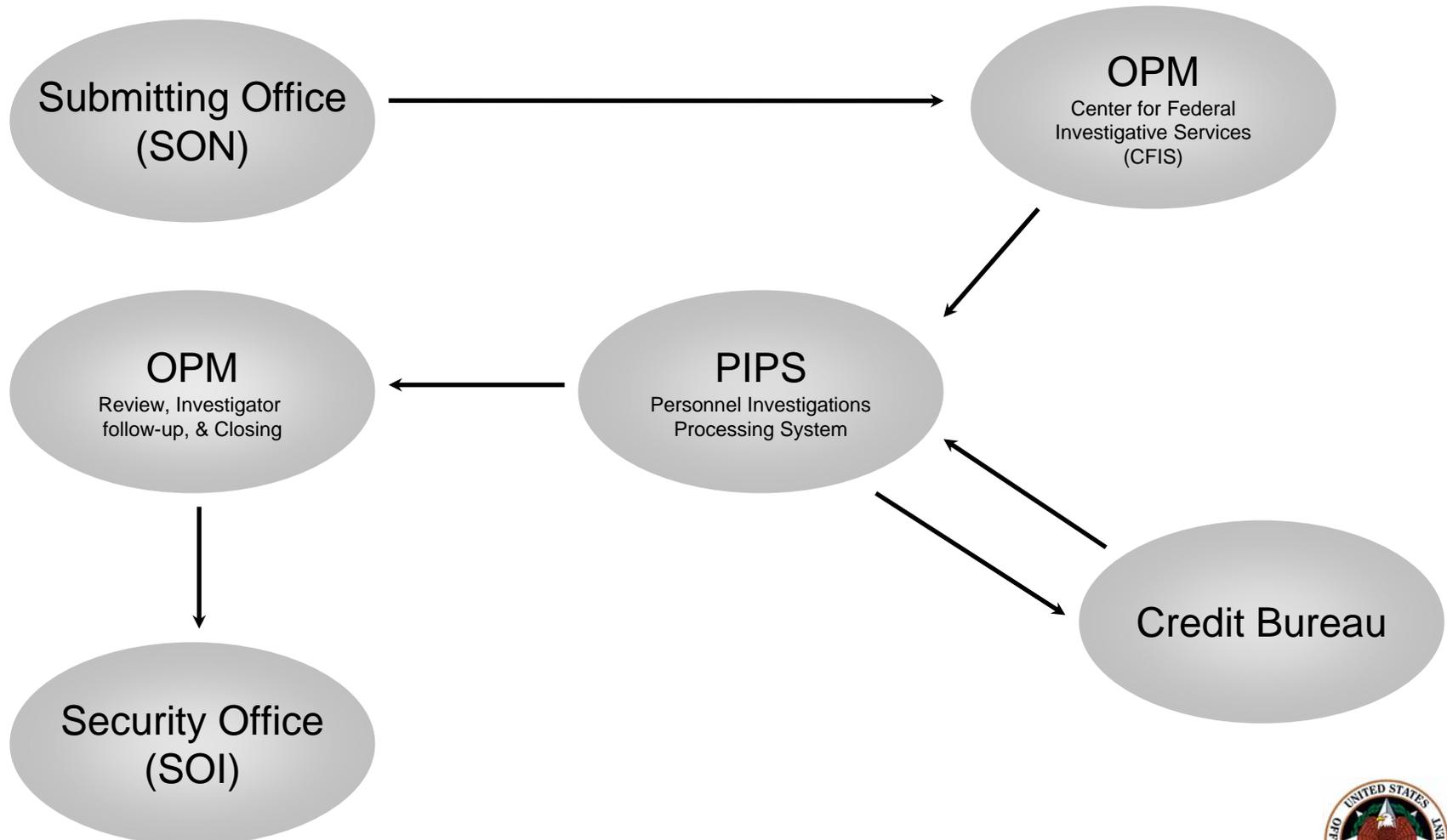
- Kay Coles James

Agenda

- Scheduling
- Credit report format
- Credit follow-up
- Combined credit reports
- Products/Services
- Questions/Discussion



How the Process Works...



Scheduling

- Credit schedules automatically on all case types except the NAC & NACI product. (Exception - NACI cases for the Department of Defense.)
- Extra coverage code “2” is required for credit to be scheduled on NAC & NACI case types.



Credit Report Formats

Case Type	Report Format		
	Result Code	Summary	Full
<u>NAC/NACI</u> Acceptable Issue (Category 1)	X		
		X	
<u>SAC/MBI</u> Acceptable Issue (Category 2)		X	
		X	
<u>PRI/PRIR/LBI</u> Acceptable Issue (Category 3)		X	
			X
<u>SSBI/SSBI-PR/BI/</u> <u>ANACI/NACLC/RSI</u> Acceptable Issue (Category 4)			X
			X



CASE NUMBER: 04000000 E01 CASE TYPE: 30B CASE CATEGORY: 4

NM: JOHN SMITH

SS: 000-00-0000

AD: 000 BRANCHTON ROAD
BOYERS, PA 16018

RESIDENCE

1900 E STREET
WASHINGTON, DC 20415

EMPLOYMENT

1010 FORBES AVENUE
UNIVERSITY OF PITTSBURGH
PITTSBURGH, PA 15201

EDUCATION

AGE: 36

SP: MARTHA

REPORT = 000

B01 – HIT (0), NO HIT (1) =0
B02 – NO. UNRATED TRADES =000
B03 – NO. UNCLASSIFIED TRADES =000
B04 – NO. TOO NEW TO RATE =000
B05 – PAYING AS AGREES =009
B06 – NO. WORST RATING EVER R2=000
B07 – NO. WORST RATING EVER R3=000
B08 – NO. WORST RATING EVER R4=000
B09 – NO. WORST RATING EVER R5=001
B10 – PAID DEROG P/R OR TRADES=000

B11 – NO. CH13 OR R7 NOT PAID = 000
B12 – NO. REPOSESSIONS NOT PAID = 000
B13 – DEROG PR, R9, COLL NOT PAID= 000
B14 – NUMBER OF MANUALS = 000
B15 – NUMBER OF TRADES = 009
B16 – NUMBER OF INQUIRIES = 005
B17 – TOTAL CURRENT BALANCE =0092121
B27 – BAL OF TR W/MAX DQ<R3 =0092121

CHAPTER 13: NONE

HIGHEST RATING OF 09 IS SHOWN ON 001 TRADES

PUBLIC RECORD INFORMATION: EXP

ECMS SCORING: 09



Credit Score/Rating & Item Results

Credit Score

00

-Too new to rate

01-02

-30 to 60 Days past due

03-09

-Over 60 Days past due

-Collections

-Judgements

-Tax liens

-Financial counseling

-Civil suits

Item Results

NI (*No Pertinent Information*)

AA (*Acceptable-Attached*)

IS (*Issues*)



Credit Score – Breakdown

- NR = No Record
- 00 = Too new to rate, approved but not used
- 01 = Pays in 30 Days or Pays as agreed
- 02 = Pays in 30 – 60 Days or 1 Payment past due
- 03 = Pays in 60 – 90 Days or 2 Payments past due
- 04 = Pays in 90 – 120 Days or 3 Payments past due
- 05 = Pays in 120 Days or more
- 06 = Account rated 07, 08, or 09 now paid as agreed or satisfied
- 07 = Chapter 13 Bankruptcy – pays regularly
- 08 = Repossession
- 09 = Bad debt, Collection, Tax lien, Civil suit, Judgement, Bankruptcy



JOHN SMITH

PUBLIC RECORD SECTION

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TYPE: JUDGEMENT

LIABL:

DISP: SATISFIED

FILED: 12/99

VERIFIED: 02/00 EFX

AMOUNT: \$5,034

COURT TYPE: (UNK)

PAID: 12/00

COURT NO: 0000000

ASSETS:

CASE NO: 000000

EOA: UNKNOWN

PLAINTIFF: JOHN DOE

CT-NAM:

STMT:

000 JUSTICE STREET BALTIMORE, MD 21201

NUMBER OF PUBLIC RECORDS: 1



JOHN SMITH

TRADE SECTION

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CREDITOR/SUBC/ ACCOUNT#/KOB	DATE OPEN	DATE REPORT	LAST ACT	DATE BAL	CREDIT LIMIT	BALANCE	HIGH CREDIT	PAST DUE	ECO/A/ACCT
BANKAMERICA 12345678 87654321 ALL BANKS	5/91		5/98	1/98		\$0	\$2000		INDVI/ACC INSTALLMENT EFX 30=00 60=00 90=00 2/94 - 2 5/96 - 4 7/98 - 5
MOP: PAYS AS AGREED									
TERMS: \$345/MO FOR 60 MONTHS									
HIST: 111111111111/143221111121									
ACCOUNT CLOSED BY CONSUMER CHARGE									
PO BOX 000 NEW CASTLE, DE 19720									

30=XX 60=YY 90=ZZ Example: 30=01 60=12 90=04

XX is number of times 30 Days past due
YY is number of times 60 Days past due
ZZ is number of times 90 Days past due

MM/YY = # 2/94 - 2 5/96 - 4 7/98 - 5

- In February of 1994, the subject was 30 - 60 Days past due on that particular account.
- In May of 1996, the subject was 90 - 120 Days past due on that particular account.
- In July of 1998, the subject was 120 Days or more past due on that particular account.



Status of Accounts

- 01 = Pays in 30 Days or Pays as agreed
- 02 = Pays in 30 – 60 Days or 1 Payment past due
- 03 = Pays in 60 – 90 Days or 2 Payments past due
- 04 = Pays in 90 – 120 Days or 3 Payments past due
- 05 = Pays in 120 Days or more



JOHN SMITH

*****COLLECTIONS SECTION*****

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CREDITOR: BANKAMERICA

ACCOUNT: 45454545

AMOUNT: \$113

BALANCE: \$0

C AGENCY:

EOA: INDIVIDUAL ACCOUNT

PO BOX 000 NEW CASTLE, DE 00000 BY MAIL ONLY

DATE REPORTED: 4/02

DATE ASSIGNED : 2/01

ACTIVITY DATE: 12/00

BALANCE DATE: 4/02

MEMBER NO: 00000000

STATUS: 4/02 PAID

NUMBER OF COLLECTIONS:

1



Determining Follow-up

1. Status of record/account
2. Monetary amount
3. Date of record/account



Current Credit Follow-up

- For the SSBI (10 years), BI (5 years), and LBI (3 years) credit follow-up is required for:
 - Judgements, Civil Suits, and Tax Liens with monetary amounts in excess of \$1,000 – regardless of the status within the investigative period.
 - Child Support, Government Overpayment, and Student Loans in excess of 120 days delinquent with monetary amounts in excess of \$1,000 within the investigative period.
 - Bankruptcy, Foreclosure, and Consumer Credit Counseling regardless of the monetary amount within the investigative period.



Current Credit Follow-up

(Continued)

- For the SSBI-PR (5 years or back to last investigation) credit follow-up is required for:
 - Judgements, Civil Suits, and Tax Liens with monetary amounts in excess of \$1,000 – regardless of the status within the investigative period.
 - Bankruptcy and Foreclosure regardless of the monetary amount within the investigative period.
- There is no follow-up on MBI, PRI, PRIR, NACLC*, or ANACI* Case Types.
 - *NACLC & ANACI – **DOD Customers** - follow-up according to the Decision Logic Table on NACLC or ANACI cases.



New Handbook Credit Follow-up

- For the SSBI (10 years), SSBI-PR (5 years or back to last investigation), BI (5 years), and LBI (3 years) credit follow-up is required for:
 - Bankruptcy, Foreclosure, and Consumer Credit Counseling regardless of the monetary amount within the investigative period.
 - Child Support, Government Overpayment, and Student Loans in excess of 120 days delinquent and for monetary amounts in excess of \$1,000 within the investigative period.
 - Individual creditor accounts of \$1,000 or greater, 120 days or more past due, totaling \$3,500 or more including: Skips, Collections, Charge-offs, Repossessions, and Bad debts



New Handbook Credit Follow-up

(Continued)

- Follow-up for LBI (3 years) and BI (5 years) is as follows:
 - Judgements, Civil Suits, and Tax Liens with monetary amounts in excess of \$1,000 – regardless of the status within the coverage period.
- Follow-up for SSBI (10 years) and SSBI-PR (5 years or back to last investigation) is as follows:
 - All Judgements, Civil Suits, and Tax Liens regardless of monetary amount or status within the coverage period.
- There is no follow-up on MBI, PRI, PRIR, NACLC*, or ANACI* case types.

* NACLC and ANACI cases for DOD are followed-up on per special agreement.



Releases

- Subject will have to fill out an OFI 16-A Specific Release for each individual creditor that requires contact.
- Subject will have to complete an 8821 (Specific Release for IRS Records) if follow-up with the Internal Revenue Service is required.



Expansion for Credit Issues (DOD)

- Payment currently past due 120 days or more
- Charged-Off balance, Judgement, Garnishment
- Balance placed for collection (unless shown as paid)
- Balance remaining after repossession (unless shown as paid)
- Amount currently owed under Garnishment or Judgement Order
- Paid or unpaid Garnishment or Judgement over \$5,000
- Paid or unpaid charged off balances, balances placed for collection, balances remaining after repossession over \$5,000



Other Expansion Concerns (DOD)

- Bankruptcy
- Insufficient funds checks
- Unexplained affluence



SPIN (DOD)

SPIN focuses on specific issues, and is a due-process procedure in that the subject is given an opportunity to refute and explain information developed as well as offer new information. It also provides an opportunity to confront the subject with issues pertaining to falsification.



How Does OPM Determine the \$ Amounts?

1. Use the Past Due amount.

If "\$0" or no amount shown, then

2. Use the Balance amount.

If "\$0" or no amount shown, then

3. Use the High Credit amount.

If "\$0" or no amount shown, then

4. Use the Credit Limit amount.

****If "\$0", no amount shown, or amount is over \$1,000 (with a threshold of \$3,500 +), then follow-up is considered if other criteria is met.*



Example:

- 120 Day delinquent student loan

<u>Past Due</u>	<u>Balance</u>	<u>High Credit</u>	<u>Credit Limit</u>
\$325	\$1050	\$3,000	\$5,000

No follow-up as Past Due amount is less than \$1,000

- Collection account/Defaulted Student Loan

<u>Past Due</u>	<u>Balance</u>	<u>High Credit</u>	<u>Credit Limit</u>
\$0	\$0	\$0	\$0

Follow-up if account falls in coverage period

*****Collection accounts are not considered paid unless "Paid" is noted. A "\$0", standing alone, does not guarantee a paid status. The account may be a write off by the creditor.**



How Does OPM Determine Date of Accounts?

Most recent date as reflected by:

1. Report Date
2. Balance Date
3. Last Activity

****In bankruptcy cases, those trade accounts opened prior to the filing of the bankruptcy are assumed to be included in the bankruptcy.*



How Does OPM Characterize Issues Relating to Credit?

- A 120 Days Past Due/Delinquent
- B Default/Collection/Skip/Tax Lien/Non-Support
- C Pattern/History of Financial Irresponsibility
- D Pattern of Financial Irresponsibility with current major liabilities...
 - Credit Report*** -***Court Records***
 - Creditor Contact*** -***Personal Sources***
- E Discharged Bankruptcy



Combined Credit Reports

Credit reports that contain information relating to the subject and another individual cannot be separated. These reports are identified on the case closing transmittal. Pay close attention to the following from the credit report:

- Addresses
- Security Alert Section



Combined Credit Reports

(Continued)

- The subject can add a personal statement to the credit report if he/she questions or disagrees with the information contained in the credit report.
- Be alert for credit reports with common names or father/son scenario.
- Remember the credit report is only as accurate as information provided to the credit bureau from the individual creditor.
- It is the **subject's** responsibility to ensure the accuracy of his/her own credit report.



CFIS Products & Services

- Re-Opens
- Reimbursable Suitability Investigations (RSI)
 - Request for follow-up on public records, trade accounts, and collection accounts not meeting coverage criteria.
 - Additional cost to the requesting agency varies on the extent of work required.
 - ***Subject Contact***
 - ***Creditor Contact***
 - ***Court Record***



Sample Re-Open

- A current SSBI discloses a bankruptcy that has just been filed.
- During course of Investigation we find that the Bankruptcy has not been to court and no court date has been established.
- Six months after the case closes, the subject informs the agency that the bankruptcy has been resolved.
- The agency can have case re-opened to obtain the outcome of the bankruptcy, as the bankruptcy is part of the standard coverage for an SSBI.



Sample RSI

- SSBI with chapter 7 bankruptcy discharged in 3/96...
- 5 accounts, opened after the bankruptcy, show 120 Day + delinquency and/or collections status.
- None meet coverage requirements.
- Subject refutes accounts; agency requests creditor contact for all 5 accounts.
 - Subject contact for specific releases
 - Contact 5 creditors
 - ***Priority, Accelerated, and Standard Services are available.***



Contact Information

For more information,
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